



Health Care Regulation Committee

Action Packet

Monday, December 5, 2005
2:00 - 4:45 PM
212 Knott Bldg.

COMMITTEE MEETING REPORT

Health Care Regulation Committee

12/5/2005 2:00:00PM

Location: 212 Knott Building

(AMENDED)

HB 3B : Medicaid

☒ Favorable With Committee Substitute -

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Dorothy Bendross-Mindingall		X			
Gus Bilirakis	X				
Marsha Bowen			X		
Larry Cretul	X				
Bob Henriquez		X			
Ed Homan	X				
Ralph Poppell	X				
William Proctor	X				
Yolly Roberson		X			
Eleanor Sobel		X			
Rene Garcia (Chair)	X				
Total Yeas: 6		Total Nays: 4			

Appearances:

Ralph Glatfelter (Lobbyist) - Information Only

Florida Hospital Association
306 E. College Ave.
Tallahassee Florida 32312
Phone: (850) 222-9800

Anna Small - Information Only

Florida Council of Nurse Midwives
1721 Canterbury St.
Tallahassee Florida 32308
Phone: (850) 671-2979

Brian Elms, Senior Legislative Representative - Information Only

AARP
601 E. Street NW
Washington DC 20049
Phone: (202) 434-3937

Larry Gonzalez (Lobbyist) - Information Only

Florida Dietetic Association
215 S Monroe St., Suite 701
Tallahassee Florida 32303
Phone: (850) 222-0720

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

Bill No. HB 3B

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION ☒ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

Council/Committee hearing bill: Health Care Regulation

Representative(s) Garcia offered the following:

Amendment (with directory and title amendments)

Remove line(s) 1044-1076 and insert:

(7) (a) The Office of Insurance Regulation shall provide ongoing guidance to the agency in the implementation of risk adjusted rates. Beginning on the effective date of this act, the Office of Insurance Regulation shall make advisory recommendations to the agency regarding the following items:

1. The methodology adopted by the agency for risk-adjusted rates, including any suggestions to improve upon the predictive value of the system.

2. Alternative options based on the agency's methodology.

3. The risk-adjusted rate for each Medicaid eligibility category in the demonstration program.

4. Administrative and implementation issues regarding the use of risk-adjusted rates, including, but not limited to, cost, simplicity, client privacy, data accuracy, and data exchange.

5. The appropriateness of phasing in risk-adjusted rates.

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21 (b) As a part of this process, the Office of Insurance
22 Regulation shall contract with an independent actuary firm to
23 assist in the annual review and to provide technical expertise.

24 (c) As a part of this process, the agency shall solicit
25 input concerning the agency's rate setting methodology from the
26 Florida Association of Health Plans, the Florida Hospital
27 Association, the Florida Medical Association, Medicaid recipient
28 advocacy groups, and other stakeholder representatives as
29 necessary to obtain a broad representation of perspectives on
30 the effects of the agency's adopted rate setting methodology and
31 recommendations on possible modifications to the methodology.

32 (d) The Office of Insurance Regulation shall submit a
33 report of its findings and advisory recommendations to the
34 Governor and the Legislature prior to the implementation of
35 risk-adjusted rates on July 1, 2006 and annually thereafter no
36 later than February 1 of each year for consideration by the
37 Legislature for inclusion in the General Appropriations Act.

38 (8) Other provisions of law to the contrary
39 notwithstanding, adjustments to risk-adjusted capitation rates
40 shall be implemented through rules of the agency, as required by
41 s. 409.9124, based upon the recommendation of the committee.

42 (9) The capitation rates for plans participating under s.
43 409.91211 shall be phased in as follows:

44 (a) In the first year shall be weighted so that 75 percent
45 of each capitation rate is based on the current methodology and
46 25 percent is based upon a new risk-adjusted capitation rate
47 methodology.

48 (b) In the second year, the capitation rates shall be
49 weighted so that 50 percent of each capitation rate is based

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50 upon the current methodology and 50 percent is based upon a new
51 risk-adjusted rate methodology.

52 (c) In the third year, the capitation rates shall be
53 weighted so that 25 percent of each capitation rate is based
54 upon the current methodology and 75 percent is based upon a new
55 risk-adjusted capitation rate methodology.

56 (d) In the following fiscal year, the risk-adjusted
57 capitation methodology may be fully implemented.

58 (10) The agency must ensure the following when using a
59 risk-adjustment rate methodology in whole or part:

60 (a) The agency's total annual payment shall be based on
61 each managed care plan's own aggregate risk score, except that
62 in no case shall the aggregate risk score of any managed care
63 plan in an area vary by more than 10 percent from the aggregate
64 weighted mean of all managed care plans providing comprehensive
65 benefits to TANF and SSI recipients in that area. The agency's
66 total annual payment to a managed care plan shall be based on
67 such revised aggregate risk score.

68 (b) After any adjustments required pursuant to paragraph
69 (a), the aggregate payments calculated to be made to managed
70 care plans on behalf of enrollees in any pilot area must be no
71 less than what the aggregate payments would have been using the
72 current rate methodology pursuant to s. 409.9124. If the agency
73 determines that such aggregate payments under the risk-adjusted
74 methodology will be lower than the aggregate payments that the
75 plans would have been paid using the current rate methodology
76 pursuant to s. 409.9124, supplemental payments shall be made to
77 managed care plans such that the proportion of overall revenue
78 remains the same on an aggregate basis per plan. Such

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79 supplemental payments shall be made to bring total payments up
80 to the amount that would have been paid pursuant to s. 409.9124.

81 (11) Prior to the implementation of risk-adjusted
82 capitation rates, the rates shall be certified by an actuary and
83 approved by the Centers for Medicare and Medicaid Services.

84 (12) For purposes of this section, the term "capitated
85
86

87 ===== T I T L E A M E N D M E N T =====

88 Remove line(s) 35-37 and insert:

89 providing for recommendations to the agency by the Office of
90 Insurance Regulation regarding the pilot program's rate setting
91 methodology; establishing requirements for rate setting and
92 phased-in implementation; requiring annual review and report to
93 the Legislature;

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 2 (for drafter's use only)

Bill No. HB 3B

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION ☒ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

Council/Committee hearing bill Health Care Regulation

Representative(s) Garcia offered the following:

Amendment (with directory and title amendments)

On line 1043, before the period, insert:

, and the agency shall initiate adoption of rules pursuant to
ss. 120.536(1) and 120.54 to develop, implement, and administer
the following provisions of the managed care pilot program:

(a) Risk-adjusted capitation rates pursuant to paragraph
(3)(d);

(b) A mechanism for providing information to Medicaid
recipients pursuant to paragraph (3)(i); and

(c) A choice counseling system pursuant to paragraphs
(3)(k), 3(1), and (3)(m)

===== T I T L E A M E N D M E N T =====

On line(s) 34 after the semicolon insert:
requiring rules;

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 3 (for drafter's use only)

Bill No. HB 3B

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER TP

1 Council/Committee hearing bill: Health Care Regulation
2 Representative(s) Sobel offered the following:

4 **Amendment (with directory and title amendments)**

5 Between line(s) 1075-1076 insert:

6 (8) There is created the Broward County Medicaid Authority
7 for the purpose of periodically reviewing the progress of the
8 implementation of the Medicaid managed care program in Broward
9 County pursuant to s. 409.91211.

10 (a) The Agency for Health Care Administration is required
11 to report to the Broward County Medicaid Authority, as requested
12 by the Authority, on the status, plans and issues of the
13 implementation of the Medicaid pilot program.

14 (b) The Broward County Medicaid Authority will host
15 quarterly public hearings to hear public testimony from Broward
16 County residents on the effects of the Medicaid pilot program.

17 (c) The Broward County Medicaid Authority will submit its
18 findings and recommendations to the Legislature.

19 (d) The Broward County Medicaid Authority shall be
20 composed of six members that include a county commissioner
21 appointed by the chair of the Broward County Commission, a judge

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22 appointed by the Chief Judge of the Circuit, one member of the
23 House Representatives Broward County delegation appointed by the
24 Speaker of the House, one member of the Senate Broward County
25 delegation appointed by the Senate President, a medical doctor
26 and a hospital representative each appointed by the chair of the
27 Broward County Commission.

28 (e) The Authority will dismantle following six months
29 after the Medicaid pilot program is completed.

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32 ===== T I T L E A M E N D M E N T =====

33 On line(s) 37 insert after the second semicolon:

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35 creating the Broward County Medicaid Authority;
36 establishing powers and duties;

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